

ZELLER DATA REQUEST
ZELLER-SDG&E-DR-005
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: JANUARY 1, 2018
DATE RESPONDED: JANUARY 22, 2018

Exhibit Reference: SDG&E - 21
SDG&E Witness: Herrera
Subject: Fleet Services

1. SDG&E's testimony (pg. 6) estimates its amortization expenses for its fleet services ownership cost will increase by \$10,295,000 in the TY above 2016 levels and that its interest charges will increase by \$2,642,000.

A) Is this increase anticipated to continue in 2020/2021?

B) Why have interest charges roughly gone up by a factor of four over this period of time?

SDG&E Response 1:

A. Yes. SDG&E leases fleet vehicles over a period of 6 – 10 years. The amortization and interest forecasts take into consideration the vehicles currently on lease, vehicles under purchase order expected to arrive within the forecast period, vehicle replacements due to age/mileage/condition criteria, and incremental vehicles for business needs. Please see Exhibit SDG&E-21 (Herrera), pages CLH-7 to CLH-11; and SDGE-21 Fleet workpapers, pages 12 & 23.

B. See response A. In addition, please see Exhibit SDG&E-21 (Herrera), pages CLH-11 to CLH-12.

ZELLER DATA REQUEST
ZELLER-SDG&E-DR-005
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: JANUARY 1, 2018
DATE RESPONDED: JANUARY 22, 2018

2. On page 13 SDG&E states that “If SDG&E cannot achieve the 90% annual requirement, it may purchase EAct credits.”

A) How much would it cost to purchase EAct credits?

B) Please explain the methodology SDG&E would employ to determine whether purchasing such credits would be appropriate.

SDG&E Response 2:

A. SDG&E objects to this request on the grounds it is vague and ambiguous as to time. SDG&E also objects to this request to the extent it calls for speculation. Subject to and without waiving these objections, SDG&E responds as follows: SDG&E Fleet Services’ approach is to remain in compliance with the EAct by purchasing compliant vehicles. As such, SDG&E Fleet Services has not purchased EAct credits in over 5 years.

B. Please see 2.A., above. Given SDG&E Fleet Services’ approach, SDG&E Fleet Services would consider purchasing EAct credits either if AFVs are not available in the marketplace; or the available AFVs cannot meet our operational needs.

**ZELLER DATA REQUEST
ZELLER-SDG&E-DR-005
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: JANUARY 1, 2018
DATE RESPONDED: JANUARY 22, 2018**

3. On page 15, Ex. 21 SDG&E’s maintenance and repair costs for its fleet vehicles are detailed. According to the testimony SDG&E faces an increasing challenge in performing maintenance and repair of its fleet vehicles because some vehicles in its fleet will be other than traditionally diesel or gasoline fueled.

A) Has SDG&E explored relying on contractors to service non-traditionally fueled vehicles instead of in-house staff? If so, please provide any applicable analysis.

B) Does SDG&E anticipate that alternative-fueled vehicles (specifically compressed natural gas and/or electric vehicles) will have higher or lower maintenance expenses than traditional diesel and gasoline-powered vehicles? Please provide any relevant studies of this issue.

SDG&E Response 3:

A. SDG&E objects to this request on the grounds that it is unfairly burdensome. SDG&E further objects to this request on the grounds that the term “analysis” is vague and ambiguous. Subject to and without waiving these objections, SDG&E responds as follows: SDG&E Fleet Services may use contractors to service vehicles (AFV and non-AFV) on a case-by-case basis which is driven by workload, capability and operational needs, including minimizing vehicle downtime while maximizing technician utilization. Based on SDG&E Fleet Services’ review, the hourly labor rates quoted by contractors have generally been 20% higher and as high as 90% higher than utilizing internal union labor.

B. SDG&E objects to this request on the grounds that it is unfairly burdensome. SDG&E further objects to this request on the grounds that “any relevant studies” is vague and ambiguous as to time. Subject to and without waiving these objection, SDG&E responds as follows: SDG&E Fleet Services does not track O&M costs in this manner.

**ZELLER DATA REQUEST
ZELLER-SDG&E-DR-005
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: JANUARY 1, 2018
DATE RESPONDED: JANUARY 22, 2018**

4. On page 2 of the testimony states that a “new business demands that vehicles be available 24 hours a day 7 days a week.”
- A) Is this a new corporate practice, or something that SDG&E initiated recently?
 - B) Does this “demand” mean that all of SDG&E’s vehicles be available at all times?
 - C) Has SDG&E explored using temporary leasing of vehicles during periods of peak needs, e.g., during a forest fire, as an alternative to continuous vehicle availability? If so, please provide information regarding SDG&E’s analysis of this issue

SDG&E Response 4:

A. SDG&E objects to this request on the grounds that it incompletely quotes the testimony in Exhibit SDGE-21 (Herrera). Subject to and without waiving this objection, SDG&E responds as follows: The quoted text on CLH-2 of SDG&E-21 does not refer to a new corporate practice or new initiative. Within the context of the testimony, the quoted text refers to the need to maintain vehicles such that they are available to respond to customer needs and emergencies 24/7.

B. SDG&E objects to this request on the grounds that it incompletely quotes the testimony in Exhibit SDGE-21 (Herrera). Subject to and without waiving this objection, SDG&E responds as follows: Within the context of the testimony, the demand means that vehicles must be maintained with minimal downtime in order to be available to respond to customer needs and emergencies.

C. SDG&E objects to this request on the grounds that it is unfairly burdensome. SDG&E further objects to this request on the grounds that “analysis of this issue” is vague and ambiguous as to time. Subject to and without waiving these objection, SDG&E responds as follows: SDG&E uses temporary rentals on an as-needed basis, including peak demand. However, SDG&E has very specialized equipment on our vehicles due to the nature of our work and such vehicles are not readily available for rent.